THE COMMONWEALTH OF MASSACHUSETTS

Public Employee Retirement Administration Commission John W. McCormack Building, Room 1101 One Ashburton Place, Boston, MA 02108 (617) 727-9380

MEMORANDUM

TO: All Retirement Boards

FROM: Robert F. Stalnaker,

RE: Chapter 64 of the Acts of 1998

DATE: April 30, 1998

Governor Cellucci has signed into law Chapter 64 of the Acts of 1998, An Act To Improve The Massachusetts Child Support Enforcement Program. That statute provides, in part, that prior to an initial payment or distribution of contributions to members or to the beneficiaries of a member, a retirement board must notify the Department of Revenue (DOR). That agency will then determine if the member is in arrears in the payment of child support. Under certain circumstances the retirement board is required to transfer the monies due the member to DOR to satisfy the child support order.

The law adds a Section 19C to Chapter 32 that provides that the annuity, retirement allowance, pension, return of accumulated total deductions or payment to any person under Chapter 32, or any special law is subject to liens under Section 6 of Chapter 119A, subject to income withholding under Section 12 of Chapter 119A, and subject to direct income withholding notices under Chapter 209D. Upon receipt of any of the above, the retirement board must comply with the lien, notice or order.

Retirees may also by assignment authorize the retirement board to withhold amounts to apply to a child support order and the board shall pay that amount to DOR.

In addition, on or before March 1 of each year boards are required to file reports with DOR which include the name, address, date of birth, status and social security numbers of all members of the system as of December 31 of the previous year.

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It is important that board members and staff be aware of the fact that information regarding child support is strictly confidential and disclosure of such information could subject the board member or staff member to severe penalties.

It is our understanding that cities and towns are presently required to enforce child support orders through employee wage assignment. It is suggested that retirement boards contact the responsible local department to gain insight into the administration of this process.

PERAC has been in contact with DOR relative to these matters. Chapter 64 is a complex statute that impacts several areas beyond retirement law. It is our understanding that DOR is presently developing the administrative processes to be used by retirement boards and other entities in fulfilling the tasks created by Chapter 64. DOR may contact you with respect to individual cases and you will be required to comply with Chapter 64 in such cases. However, outside of instances initiated by DOR, it is not expected that the retirement boards will be required to meet the notice standards and restrictions on payment and distributions established as part of Chapter 64 until the administrative processes are in place. During this period we will keep you up to date and at some point, in conjunction with DOR, we hope to hold educational seminars for the boards and staff.